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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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<b>2001 Senate Bill 372</b>	<b>Senate Amendment 1</b>
Memo published: March 6, 2002      Contact: Richard Sweet, Senior Staff Attorney (266-2982)	

**Senate Bill 372** makes a number of changes in the laws relating to filing of documents with registers of deeds and the Department of Financial Institutions (DFI) and other changes related to secured transactions. 2001 Wisconsin Act 10 repealed and recreated ch. 409, Stats., which is entitled “Uniform Commercial Code--Secured Transactions” and made other changes with regard to filing of documents with registers of deeds. The changes in Senate Bill 372 relate to the format for documents that are filed with registers of deeds, indexing of those documents, specifying which documents are filed with which agencies and what fees apply, making changes regarding assigning of file numbers, making changes regarding searches for financing statements, and making changes with regard to the statewide lien system, including sunseting the system as of July 1, 2008.

**Senate Amendment 1** modifies a statute that was affected by 2001 Wisconsin Act 10. Prior to enactment of Act 10, when collateral was disposed of by a secured party after default, the disposition discharged the security interest under which it was made and any security interest or lien subordinate thereto. [s. 409.504 (4) (intro.), 1999-00 Stats.] Act 10 modified this to provide that a secured party’s disposition of collateral after default discharges any subordinate security interest or other subordinate lien “other than liens held by this state or a local governmental unit, as defined in s. 19.42 (7u).” Senate Amendment 1 eliminates the language “other than liens held by this state or a local governmental unit, as defined in s. 19.42 (7u).”

**Legislative History.** On February 18, 2002, the Senate Committee on Privacy, Electronic Commerce and Financial Institutions recommended adoption of Senate Amendment 1; and passage of the bill, as amended; both on votes of Ayes, 5; Noes, 0.

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